



**MINUTES  
CITY COUNCIL WORK SESSION  
December 1, 2020**

**CALL TO ORDER**

The meeting was called to order at 5:30 pm.

*Due to the COVID-19 health pandemic, the Long Lake City Council attended this meeting telephonically pursuant to Minn. Stat. 13D.021.*

**Present:** Mayor: Charlie Miner; Council: Tom Skjaret, Jahn Dyvik, Michelle Jerde, and Deirdre Kvale

**Staff Present:** City Administrator: Scott Weske (in person); and Fire Chief: James Van Eyll (telephonically)

**Absent:** None

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

*A motion was made by Skjaret, seconded by Jerde, to approve the agenda as presented. Ayes: all by roll call.*

**OPEN CORRESPONDENCE**

No one was in attendance to address the City Council during Open Correspondence.

**BUSINESS ITEMS**

**Discussion of Pension Benefit Level Increase for the Long Lake Fire Department Relief Association**

Fire Chief Van Eyll explained that the Fire Relief Association has been doing a fantastic job being good stewards of their money over the years. He stated that they have been able to weather some storms and despite economic downturns have not required municipal contributions. At this time the Relief Association is requesting consideration of a benefit increase to the level of \$6,000/year of service.

Steve MacDonald, Abdo, Eick and Meyers, gave a brief presentation surrounding benefit projections for the Long Lake Fire Department Relief Association. He provided examples of scenarios with the existing benefit level as compared to increasing the benefit level to \$6,000/year of service.

Representing the Fire Relief Association, Kelly Shaughnessy reported that they had switched over to State Board of Investments (SBI) a few years ago and are no longer with a broker. He indicated that they are fully funded in what they call their balance account which is a 60/35/5 account. He noted how infrequently they have come before the City asking for an increase and explained that some retirements were factored in within the scenarios that were shared.

Council member Kvale asked if the pension benefit level could be changed or stepped back in the future.

Mr. Shaughnessy responded that they could, in theory, step it back; however, in reality they would not do it. He advised that the Long Lake Fire Department Relief Association Board has the right to increase without permission of the Council and the City would only be on the hook for what it has already agreed to.

Council member Skjaret pointed out that there may be some Council members who are unfamiliar with how the City's obligation works, and sought an explanation on the City's responsibility if the fund falls below 80%.

Mr. Shaughnessy replied that it is a somewhat complicated formula, but gave a brief explanation of the City's responsibility in a situation where the fund falls below 80%.

Council member Skjaret clarified that essentially, if the fund falls short, the City is responsible for making up the difference.

Council member Kvale questioned if it would make sense to take it a bit more slowly and take a smaller step right now and then consider this again in 2021.

Mr. Shaughnessy noted that the problem with doing so is that they are not sending the same message to their memberships every year. He stated that the Board could still vote to move to the \$6,000 and that if he had done the calculations today, he would be before Council asking for \$6,400.

Council member Dyvik commented that the request represents a 22% increase which would be the largest increase since 2004. He asked if the information shared by Mr. MacDonald was a bit optimistic.

Mr. MacDonald confirmed that his figures are consistent with the State funding schedules that show a 5% return. He stated that based on a 10-year average, he does not see this as out of line.

Mayor Miner noted that Mr. MacDonald had to leave the meeting to attend another meeting.

Van Eyll provided a brief history of the increases in pension level benefits. He highlighted a few revisions to the information shared by Mr. Shaughnessy.

The Council discussed the vesting schedule, how the pension is paid out, the possible effects of an economic downturn, and the anticipated time and frequency of firefighter retirements.

Council member Skjaret noted that the fund is performing really well and the Council supporting this action would show that they support the Department and would also help with recruiting and retention. He voiced his support for the request.

Council member Jerde indicated that she also supported this action because this is a volunteer Fire Department and she feels this is the least the City can do.

Mayor Miner also communicated support for the request and added that he feels the recruitment and retention aspect is very important.

Council member Kvale asked about the outreach programs.

Mr. Shaughnessy noted that none of the outreach money comes back into this fund.

Van Eyll reviewed some of the things the Fire Relief Association has donated to the Fire Department over the last few years that were funded by the outreach programs such as the Pancake Breakfast or Second Call fundraiser.

Council member Dyvik stated that he agreed with Council member Skjaret's comments and asked about the competitiveness with the surrounding departments.

Van Eyll responded that with the \$6,000/year, the City's pension benefit level would not be the highest or the lowest. He shared his agreement with the sentiments already shared by the Council that the City needs to take care of its firefighters.

#### **OTHER BUSINESS**

No other business was discussed.

#### **ADJOURN**

*Hearing no objection, Mayor Miner adjourned the work session by general consent at 6:25 pm.*

Respectfully submitted,

Scott Weske  
City Administrator